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FRONTAGE HOLDINGS CORPORATION

方達控股公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1521)

ANNOUNCEMENT GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Frontage Holdings Corporation (the “**Company**”) hereby announces that on 20 December 2023 (after trading hours) (the “**Date of Grant**”), 26,285,000 share options (the “**Share Options**”) to subscribe for ordinary shares of US\$0.00001 each in the share capital of the Company (the “**Shares**”), were granted, subject to acceptance by the grantees (the “**Grantees**”), pursuant to the 2018 Share Incentive Scheme adopted by the Company on 11 May 2019. The details of the Share Options granted are as follows:

Grant date: 20 December 2023

Exercise price and market price on the date of grant: Each Share Option shall entitle the holder of the Share Option to subscribe for one new Share upon exercise of such Share Option at an exercise price of HK\$2.13 per Share, which represents the highest of (1) the nominal value of a Share (i.e. US\$0.00001); (2) the closing price of HK\$2.12 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant; and (3) the average closing price of HK\$2.13 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant.

Exercise period and Vesting schedule: Subject to the terms of the 2018 Share Incentive Scheme and the terms of the grants, the Share Options granted shall vest in the proposed Grantees in accordance with the timetable below, each with an exercise period commencing from the respective vesting date (“**Vesting Date**”) of the relevant tranche of Share Options and ending on the date before the 5th anniversary of the Date of Grant (i.e. 20 December 2028) (both dates inclusive):

Vesting Date	Percentage of Share Options to vest
20 December 2024	30% of the total number of Share Options granted
20 December 2025	30% of the total number of Share Options granted
20 December 2026	40% of the total number of Share Options granted

Total number of Share Options granted: 26,285,000 Share Options

Grantees: Among the total 26,285,000 Share Options granted, 1,600,000 and 1,400,000 Share Options were granted to the Director (the “**Director Grantee**”) and the Chief Executive Officer of the Company (the “**CEO**”), respectively, with details as follows:

Name of Director/CEO	Position	Number of Share Options granted
Dr. Song Li	Executive Director	1,600,000
Dr. Abdul Mutlib	CEO	1,400,000

The remaining 23,285,000 Share Options were granted to Grantees who are employees of the Group but not Directors, chief executive nor substantial shareholders of the Company, or their respective associates (as defined in the Listing Rules).

The grant of the Share Options to the Director Grantee and the CEO has first been approved by the independent non-executive Directors according to Rule 17.04(1) of the Listing Rules. Dr. Song Li, being the Director, has abstained from voting on the resolution in relation to the grant of the Share Options to himself. Save as disclosed in this announcement, none of the Grantees is a Director, chief executive or substantial shareholder of the Company, or their respective associates (as defined in the Listing Rules).

Performance targets: There is no performance target attached to the Share Options. In relation to the grant of the Share Options to the Director and employees of the Group, the purpose of the 2018 Share Incentive Plan is to advance the interests of the Company’s shareholders by enhancing the Company’s ability to attract, retain and motivate skilled and experienced personnel who are expected to make important contributions to the Group. In particular, the 2018 Share Incentive Plan aims to motivate personnel to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

Having considered: (a) each Grantee's experience, length of service to the Group and contribution to the promotion of the Group's business; (b) the Grantees, including a Director and the chief executive officer of the Company, will directly contribute to the overall business performance, sustainable development and good corporate governance of the Group; and (c) the Share Options will vest in tranches over a period of three years from the Date of Grant, the remuneration committee of the Company considers that the grant of the Share Options will align the interests of the Grantees with those of the Company and the shareholders of the Company, motivate the Grantees to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company, consistent with the objectives of 2018 Share Incentive Plan.

Clawback mechanism:	There is no clawback mechanism attached to the Share Options. The remuneration committee of the Company is of the view that a clawback mechanism is not necessary and aligns with the objectives of 2018 Share Incentive Plan as the provisions of the 2018 Share Incentive Plan already provide for the lapse and cancellation of Share Options in different scenarios, providing adequate protection of the Group's interests.
Financial assistance:	There are no arrangements for the Group to provide financial assistance to Grantees to facilitate the purchase of Shares under the 2018 Share Incentive Scheme.
Number of Shares available for future grants:	Subsequent to the grant of the Share Options, the number of Shares available for future grants under the scheme mandate of the 2018 Share Incentive Scheme is 101,859,403 Shares.

By Order of the Board
Frontage Holdings Corporation
Dr. Song Li
Chairman

Hong Kong, 20 December 2023

As at the date of this announcement, the Board comprises Dr. Song Li as executive director; Dr. Zhihe Li, Ms. Zhuan Yin and Mr. Hao Wu as non-executive directors; and Mr. Yifan Li, Mr. Erh Fei Liu and Dr. Jingsong Wang as independent non-executive directors.

* *For identification purpose only*